

HOUSE BILL REPORT

SHB 1650

As Passed House:
March 2, 2011

Title: An act relating to state need grant eligibility.

Brief Description: Changing state need grant eligibility provisions.

Sponsors: House Committee on Education Appropriations & Oversight (originally sponsored by Representatives Hasegawa, Kenney, Santos, McCoy, Moscoso, Sells, Carlyle, Reykdal, Seaquist, Jacks, Probst, Maxwell and Ormsby).

Brief History:

Committee Activity:

Higher Education: 2/3/11, 2/7/11, 2/9/11 [DP];

Education Appropriations & Oversight: 2/17/11, 2/21/11 [DPS].

Floor Activity:

Passed House: 3/2/11, 77-20.

Brief Summary of Substitute Bill

- Removes the pilot status of the program that allows part-time students who are accepted for enrollment for at least three credits to be eligible for the State Need Grant program.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass. Signed by 11 members: Representatives Seaquist, Chair; Carlyle, Vice Chair; Haler, Ranking Minority Member; Buys, Crouse, Fagan, Hasegawa, Jacks, Probst, Reykdal and Zeiger.

Staff: Madeleine Thompson (786-7304).

HOUSE COMMITTEE ON EDUCATION APPROPRIATIONS & OVERSIGHT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Haigh, Chair; Probst, Vice Chair; Anderson, Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Dahlquist,

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Frocket, Hargrove, Hope, Maxwell, Nealey, Orwall, Reykdal, Rolfes, Santos, Seaquist, Sells, Short and Stanford.

Staff: Trista Zugel (786-7157).

Background:

According to the Higher Education Coordinating Board's (HECB) 2010 report on financial aid, nearly 45 percent of Washington families of four earn less than \$50,000 per year compared to the state's median family income of \$75,000 per year. More than 35 percent of the state's K-12 students qualify for free or reduced-price lunches. Since 1989 the state's median family income has doubled while the cost of tuition has more than tripled.

State Need Grant.

The State Need Grant is designed to pay a portion of educational costs for needy and disadvantaged students. In 2009-2010 state funding for financial aid totaled \$250 million and the State Need Grant comprised the largest portion at \$215 million. In 2009-2010 the number of eligible students rose 18 percent to nearly 74,000 students. The number of unserved students rose from 5,498 to nearly 22,000 students.

State Need Grant Eligibility for Part-time Students.

In 1990 the Legislature extended State Need Grant eligibility to students enrolled at least half-time (six quarter credits or more). In 2005 the Legislature passed Substitute House Bill 1345 which directed the HECB to develop a two-year pilot project to assess the need for and feasibility of allowing students enrolled for at least four quarter credits to be eligible for a State Need Grant. Under the pilot, students attending a participating school who enrolled for four or five credits were eligible to receive a grant as long as they met the other eligibility criteria for a State Need Grant, including family income limitations and residency requirements. The Legislature appropriated \$500,000 for the 2005-2007 biennium for the pilot project.

The HECB report on the pilot project found that the primary reasons students enroll on a less-than-half-time basis include work and family obligations, costs of attending school, and childcare needs. The HECB further reported that 72 percent of the students participating in the pilot were financially independent from their parents, almost half had children of their own, a quarter were single parents, and 34 percent were the first in their family to attend an institution of higher education. Most participating students enrolled for just one term at a less-than-half-time rate and then enrolled half-time or greater for the remainder of the year.

In 2007 the Legislature extended the pilot program and raised funding to an annual limit of \$500,000. The HECB reports that between 2008-2009, 1,970 part-time students received the State Need Grant. However, 1,593 eligible students remained unserved due to lack of funding. The cost of funding these additional students would have been \$404,622.

Most students enroll at a less-than-half-time rate temporarily. In fall 2008-2009, 85 percent of State Need Grant students attended full-time.

The pilot program allowing part-time students to be eligible for the State Need Grant expires June 30, 2011.

Summary of Substitute Bill:

Students who are enrolled or accepted for enrollment for at least three quarter credits, or the equivalent semester hours, in a qualifying higher education program are eligible for the State Need Grant. The pilot status of the program allowing part-time students to be eligible for the State Need Grant and the expiration date are removed. Child support payments are no longer excluded from computations of financial need for part-time students applying for the State Need Grant.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony (Higher Education):

(In support) More than two-thirds of students attend part-time only temporarily. Financial aid keeps students in school and on track so they can complete their degrees. Many students in the community and technical colleges are working, or are parents and need to attend part-time because they have other obligations. This has been a very effective pilot for the last five or six years.

(Commented) The provisions align with the state plan for workforce development.

(Opposed) None.

Staff Summary of Public Testimony (Education Appropriations & Oversight):

(In support) This bill has no fiscal note. The program helps keep students on track if they have to enroll less than half-time for a period of time. The exclusion of child support payments from computations of financial need for students applying for the State Need Grant applies only to the less than half-time program. This is cumbersome for schools to administer because it only applies to this single enrollment status.

(Opposed) None.

Persons Testifying (Higher Education): (In support) Representative Hasegawa, prime sponsor; Rachele Sharpe, Higher Education Coordinating Board; and Scott Copeland, State Board for Community and Technical Colleges.

(Commented) Carolyn McKinnon, Workforce Training Board.

Persons Testifying (Education Appropriations & Oversight): Representative Hasegawa, prime sponsor; Rachelle Sharpe, Higher Education Coordinating Board; and Scott Copeland, State Board of Community and Technical Colleges.

Persons Signed In To Testify But Not Testifying (Higher Education): None.

Persons Signed In To Testify But Not Testifying (Education Appropriations & Oversight): None.